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WP (D-8)1

<HELP> for explanation. P060 Equity **CRPR**

Enter # <GO> for historical ratings.

Related Functions	Company Tree Ratings	CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company Tree Ratings' above for related companies

MOODY'S	
1) Outlook	NEG
2) Issuer Rating	A1
3) Senior Secured Debt	Aa3
4) Short Term	P-1
STANDARD & POOR'S	
5) Outlook	STABLE
6) LT Foreign Issuer Credit	AA
7) LT Local Issuer Credit	AA
8) ST Foreign Issuer Credit	A-1+
9) ST Local Issuer Credit	A-1+
FITCH	
10) Outlook	STABLE
11) Senior Secured Debt	AA-
12) Short Term	F1+

<HELP> for explanation. P060 Equity CRPR

Related Functions | Company Tree Ratings | CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

Issuer Rating -MOODY'S

RATING		EFFECTIVE
A1		4/25/03
Aa2	*-	7/24/02
Aa2		9/ 5/95

UP / DOWN / NEUTRAL

to return to credit profile

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<HELP> for explanation. P060 Equity **CRPR**

Related Functions	Company Tree Ratings	CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

Senior Secured Debt -MOODY'S

RATING		EFFECTIVE
Aa3		4/25/03
Aa1	*-	7/24/02
Aa1		7/ 3/84
Aa2		4/26/82

UP / DOWN / NEUTRAL
to return to credit profile

WP (Δ-8)1

<HELP> for explanation. P060 Equity **CRPR**

Related Functions | Company Tree Ratings | CREDIT PROFILE

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Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

Short Term -MOODY'S

RATING		EFFECTIVE
P-1		4/25/03
P-1	*-	7/24/02
P-1		7/26/74

UP / DOWN / NEUTRAL
to return to credit profile

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WP(Δ-8)1

<HELP> for explanation. P060 Equity **CRPR**

Related Functions	Company Tree Ratings	CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

LT Local Issuer Credit -S&P

RATING		EFFECTIVE
AA		4/15/03
AA	*-	7/22/02
AA		11/23/81

UP / DOWN / NEUTRAL
[redacted] to return to credit profile

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<HELP> for explanation. P060 Equity **CRPR**

Related Functions	Company Tree Ratings	CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

ST Local Issuer Credit -S&P

RATING	EFFECTIVE
A-1+	11/23/81
A-1	9/ 3/74

UP / DOWN / NEUTRAL
to return to credit profile

<HELP> for explanation. P060 **Equity** **CRPR**

Related Functions | Company Tree Ratings | CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

Senior Secured Debt -FITCH

RATING		EFFECTIVE
AA-		6/29/04
AA		4/11/03
AA	*-	11/ 5/02
AA+	*-	7/19/02
AA+		10/25/00

UP / DOWN / NEUTRAL
to return to credit profile

<HELP> for explanation. P060 Equity **CRPR**

Related Functions | Company Tree Ratings | CREDIT PROFILE

Northern Illinois Gas Co Page 1/1

Select 'Company
MO
1) Outlook
2) Issuer Rati
3) Senior Secu
4) Short Term

STANDAR
5) Outlook
6) LT Foreign
7) LT Local Is
8) ST Foreign
9) ST Local Is

F
10) Outlook
11) Senior Secu
12) Short Term

Short Term -FITCH

RATING		EFFECTIVE
F1+		4/11/03
F1+	*-	7/19/02
F1+		6/ 1/00

UP / DOWN / NEUTRAL

to return to credit profile

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STANDARD & POOR'S

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Research:

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Printing Tips

Summary: Nicor Inc.

Publication date: 25-May-2004
Credit Analyst: Barbara A Eiseman, New York (1) 212-438-7666

Credit Rating: AA/Stable/A-1+

Rationale

The ratings on Naperville, Ill.-based gas utility holding company Nicor Inc. are based on the consolidated credit profile of its family of companies, most significantly Nicor Gas Co. (about 85% of operating income), but also its containerized shipping unit, Tropical Shipping (12%), and smaller unregulated energy-related ventures. Because there are no regulatory mechanisms or other structural barriers in Illinois that sufficiently restrict access by the parent to the cash flow of the utility, Standard & Poor's views the default risk of Nicor Gas as being the same as that of the parent.

Nicor's creditworthiness is a function of a strong business profile and declining, but still very healthy financial condition. The company's business position is supported by a large, secure residential and commercial customer base, low costs and rates, a diverse supply portfolio, historically responsive ratemaking principles, solid operations, and favorable competitive standing. These strengths are tempered somewhat by Nicor's investment in higher-risk unregulated operations and uncertainties regarding investigations into alleged abuses of Nicor Gas' performance-based rate plan (PBR), a shareholder derivative action, and a possible civil injunctive action, all of which could result in financial penalties. The mere existence of these matters is very disturbing for a company with such lofty ratings; however, Standard & Poor's believes that resolution of outstanding issues facing the company will have only a nominal effect, if any, on Nicor's very strong financial parameters. However, rising operating expenses with no prospects for near-term rate relief, in conjunction with an unexpectedly severe financial penalty, could eventually result in a negative rating action.

In 2002, Nicor discovered accounting problems and losses related to its retail energy marketing joint venture (Nicor Energy) with Dynegy Inc. and possible improper behavior in its PBR. Following these announcements, shareholder class action suits and securities class actions were brought against Nicor and certain executives. Nicor Energy has disposed of its customer accounts and ceased operations. Although the securities class action litigation was recently settled, Nicor was informed by the SEC's Division of Enforcement that it intended to recommend to the SEC that it bring a civil injunctive action against the company. Meanwhile, the Illinois Commerce Commission (ICC) continues to review allegations that Nicor Gas acted improperly in connection with the PBR plan. The timing of a final decision from the ICC is uncertain.

In response to the allegations, Nicor's board appointed a special independent committee that undertook an investigation of natural gas purchases, sales, transportation, and storage activities. The committee found no evidence of criminal conduct or fraud but identified various accounting and other inadvertent errors related to the PBR. As a result, adjustments were made to financial statements resulting in a $24.1 million liability at the end of 2003. Included in the adjustments is a $4.1 million loss contingency. In addition, Nicor Gas estimates that there is $26.9 million owed to the company from the 2002 PBR, which was not recognized due to uncertainties surrounding the PBR.

Consolidated total debt to capital stood at 49% at March 31, 2004 but was a liberal 59% at the end of 2003. However, the bulk of Nicor Gas' debt is seasonal and is paid down as the winter heating season ends and revenues outpace expenses. Therefore, when year-end balances are adjusted for gas inventories, debt leverage is appropriate for the rating. Cash flow after dividends is expected to cover the bulk of the capital program for the foreseeable future and EBIT coverage, funds from operations (FFO) interest coverage, and FFO to total debt remain exceptionally strong at about 4.7x, 9.8x, and 42.5%, respectively. While Nicor's financial measures are expected to erode due to higher operating expenses and no prospects for near-term rate relief, these ratios are sufficiently robust to withstand some degradation and remain within the benchmarks appropriate for the rating.

Customer growth should remain modest (about 2%), while throughput increases may be less due to more efficient appliances conservation. Much of this growth comes from new housing construction because natural gas has saturated most of the space heating market. Over the long term, increased sales to summer-peaking electric generation facilities should help revenue growth and improve the system load factor. Modest exposure to fuel switching and customer bypass exists. However, Nicor Gas can offer special tariffs and contracts to retain gas users with direct pipeline access. Gas costs are minimized and reliability is enhanced through diversity in supply contracts, suppliers, and production regions and through abundant company-owned gas storage facilities.

Nicor's main nonutility unit is Tropical Shipping, which transports containerized freight in the Caribbean. Tropical Shipping has been profitable for many years and a strong and reliable source of cash flow for Nicor. The company continues to increase efficiency and reduce costs, but the business is cyclical, exposing Tropical Shipping to some earnings and cash flow volatility. Other diversified activities are in the early stages of development and include retail energy-related products and services.

Short-term credit factors.

Nicor and Nicor Gas have 'A-1+' short-term corporate credit and commercial paper ratings. Liquidity should continue to be adequate despite the seasonal nature of the gas distribution business. Cash requirements typically increase over the third and fourth quarters due to increases in natural gas purchases, gas in storage, and accounts receivable. Over the first and second quarters, positive cash flow generally occurs from the sale of gas in storage and the collection of accounts receivable. This cash is typically used to reduce short-term debt, incurred to purchase gas in anticipation of the winter heating season, to near zero during the second quarter.

Standard & Poor's expects currently strong consolidated funds flow from operations to decline significantly in 2004, due to a tax refund in 2003 and increasing expenses and somewhat flat revenue growth. However, Nicor should have ample capacity to internally fund dividends and the bulk of consolidated construction expenditures.

As of March 31, 2004, Nicor had $31.6 million of cash and cash equivalents. The company maintains a revolving credit agreement totaling $500 million through September 2004, which serves as backup for the issuance of commercial paper. At the end of March 2004, the company had $187 million of commercial paper outstanding. The bank facility is rated one notch below the 'AA' corporate credit ratings on the companies due to the facility's structural subordination to substantial amounts of senior secured debt.

In order to comply with the covenants in its credit agreements, Nicor and Nicor Gas must maintain, at the end of any fiscal quarter, total debt to capitalization below 65%, provided that, at the end of the fourth fiscal quarter, this ratio does not exceed 70% and must maintain an interest coverage ratio of at least 3.0x. None of Nicor's bank agreements contains material adverse change clauses or ratings triggers.

Under certain agreements, downgrades below investment grade could result in the companies having to post collateral. Standard & Poor's does not consider this a serious concern given the 'AA' corporate credit ratings on Nicor and Nicor Gas. Nicor has no outstanding long-term debt and Nicor Gas has a very manageable maturity schedule with $50 million of debt due in 2006. Nicor Gas has $75 million of capacity under a Rule 415 shelf registration covering senior secured debt transactions.

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Outlook

Ratings stability for Nicor and Nicor Gas reflects a strong consolidated financial profile, an excellent competitive standing, flexible supply position, a healthy service area, and management's commitment to credit quality. Ratings stability also assumes that additional penalties, if any, will be fully manageable and will not materially harm the company's healthy financial condition. These attributes are offset by parent Nicor's support of riskier unregulated affiliates.

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Research:

Summary: Nicor Gas Co.

Publication date: 27-May-2004

Credit Analyst: Barbara A Eiseman, New York (1) 212-438-7666

Credit Rating: AA/Stable/A-1+

Rationale

The ratings on Nicor Gas Co. are based on the consolidated credit profile of the Nicor Inc. family of companies that include Nicor Gas' regulated operations, a containerized shipping business, and other smaller unregulated ventures that are energy related. Nicor Gas, a natural gas distribution utility and Nicor's primary subsidiary, accounts for about 85% of consolidated operating income. Because there are no regulatory mechanisms or other structural barriers in Illinois that sufficiently restrict access by the parent to the cash flow of the utility, Standard & Poor's views the default risk of Nicor Gas as the same as Nicor.

Nicor's creditworthiness is a function of a strong business profile and declining, but still very healthy, financial condition. The company's business position is supported by a large, secure residential and commercial customer base, low costs and rates, a diverse supply portfolio, historically responsive ratemaking principles, solid operations, and favorable competitive standing. These strengths are tempered somewhat by Nicor's investment in higher-risk unregulated operations and uncertainties regarding investigations into alleged abuses of Nicor Gas' performanced-based rate plan (PBR), a shareholder derivative action, and a possible civil injunctive action, all of which could result in financial penalties. The mere existence of these matters is very disturbing for a company with such lofty ratings; however, Standard & Poor's believes that the resolution of outstanding issues facing the company will have only a nominal effect, if any, on Nicor's very strong financial parameters. However, rising operating expenses with no prospects for near-term rate relief, in conjunction with an unexpectedly severe financial penalty, could eventually result in a negative rating action.

In 2002, Nicor discovered accounting problems and losses related to its retail energy marketing joint venture (Nicor Energy) with Dynegy Inc., and possible improper behavior in its PBR. Following these announcements, shareholder class action suits and securities class actions were brought against Nicor and certain executives. Nicor Energy has disposed of its customer accounts and ceased operations. Although the securities class action litigation was recently settled, Nicor was informed by the SEC's Division of Enforcement that it intended to recommend to the SEC that it bring a civil injunctive action against the company. Meanwhile, the Illinois Commerce Commission (ICC) continues to review allegations that Nicor Gas acted improperly in connection with the PBR plan. The timing of a final decision from the ICC is uncertain.

In response to the allegations, Nicor's board appointed a special independent committee that undertook an investigation of natural gas purchases, sales, transportation, and storage activities. The committee found no evidence of criminal conduct or fraud but identified various accounting and other inadvertent errors related to the PBR. As a result, adjustments were made to financial statements resulting in a $24.1 million liability at the end of 2003.

Included in the adjustments is a $4.1 million loss contingency. In addition, Nicor Gas estimates that there is $26.9 million owed to the company from the 2002 PBR, which was not recognized due to uncertainties surrounding the PBR.

Consolidated total debt to capital stood at 49% at March 31, 2004 but was a liberal 59% at the end of 2003. However, the bulk of Nicor Gas' debt is seasonal and paid down as the winter heating season ends and revenues outpace expenses. Therefore, when year-end balances are adjusted for gas inventories, debt leverage is appropriate for the rating. Cash flow after dividends is expected to cover the bulk of the capital program for the foreseeable future and EBIT coverage, funds from operations (FFO) interest coverage, and FFO to total debt remain exceptionally strong at about 4.7x, 9.8x, and 42.5%. While Nicor's financial measures are expected to erode due to higher operating expenses and no prospects for near-term rate relief, these ratios are sufficiently robust to withstand some degradation and remain within the benchmarks appropriate for the rating.

Customer growth should remain modest (about 2%), while throughput increases may be less due to more efficient appliances conservation. Much of this growth comes from new housing construction because natural gas has saturated most of the space heating market. Over the long term, increased sales to summer-peaking electric generation facilities should help revenue growth and improve the system load factor. Modest exposure to fuel switching and customer bypass exists. However, Nicor Gas can offer special tariffs and contracts to retain gas users with direct pipeline access. Gas costs are minimized and reliability is enhanced through diversity in supply contracts, suppliers, and production regions and through abundant company-owned gas storage facilities.

Nicor's main nonutility unit is Tropical Shipping, which transports containerized freight in the Caribbean. Tropical Shipping has been profitable for many years and a strong and reliable source of cash flow for Nicor. The company continues to increase efficiency and reduce costs, but the business is cyclical, exposing Tropical Shipping to some earnings and cash flow volatility. Other diversified activities are in the early stages of development and include retail energy-related products and services.

Short-term credit factors.

Nicor and Nicor Gas have short-term corporate credit and commercial paper ratings of 'A-1+'. Liquidity should continue to be adequate despite the seasonal nature of the gas distribution business. Cash requirements typically increase over the third and fourth quarters due to increases in natural gas purchases, gas in storage and accounts receivable. Over the first and second quarters, positive cash flow generally occurs from the sale of gas in storage and the collection of accounts receivable. This cash is typically used to reduce short-term debt, incurred to purchase gas in anticipation of the winter heating season, to near zero during the second quarter.

Standard & Poor's expects currently strong consolidated funds flow from operations to decline significantly in 2004, due to a tax refund in 2003, increasing expenses, and somewhat flat revenue growth. However, Nicor should have ample capacity to internally fund dividends and the bulk of consolidated construction expenditures.

As of March 31, 2004, Nicor had $31.6 million of cash and cash equivalents. The company maintains a revolving credit agreement totaling $500 million through September 2004, which serves as backup for the issuance of commercial paper. At the end of March 2004, the company had $187 million of commercial paper outstanding. The bank facility is rated one notch below the 'AA' corporate credit ratings on the companies due to the facility's structural subordination to substantial amounts of senior secured debt.

In order to comply with the covenants in its credit agreements, Nicor and Nicor Gas must maintain, at the end of any fiscal quarter, total debt to capitalization below 65%, provided

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that at the end of the fourth fiscal quarter this ratio does not exceed 70%. The companies also must maintain an interest coverage ratio of at least 3.0x. None of Nicor's bank agreements contains material adverse change clauses or ratings triggers.

Under certain agreements, downgrades below investment grade could result in the companies having to post collateral. Standard & Poor's does not consider this a serious concern given the 'AA' corporate credit ratings on Nicor and Nicor Gas. Nicor has no outstanding long-term debt and Nicor Gas has a very manageable maturity schedule with $50 million of debt due in 2006. Nicor Gas has $75 million of capacity under a Rule 415 shelf registration covering first mortgage bond issuances.

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Outlook

Ratings stability for Nicor Gas mirrors that of parent Nicor and reflects a strong consolidated financial profile, an excellent competitive standing, flexible supply position, a healthy service area, and management's commitment to credit quality. Ratings stability also assumes that additional penalties, if any, will be fully manageable and will not materially harm the company's healthy financial condition. These attributes are offset by parent Nicor's support of riskier unregulated affiliates.

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STANDARD & POOR'S UTILITIES

Publication date: 25-May-2004
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Nicor Inc.

Credit Analyst: Barbara A Eiseman, New York (1) 212-438-7666

Corporate Credit Rating

AA/Stable/A-1+

Outstanding Rating(s)	
Nicor Inc.	
Sr unsecd debt	
Local currency	AA-
CP	
Local currency	A-1+
Pfd stk	
Local currency	A+
Nicor Gas Co.	
Corporate Credit Rating	AA/Stable/A-1+
Sr unsecd debt	
Local currency	AA-
Sr secd debt	
Local currency	AA
CP	
Local currency	A-1+

Corporate Credit Rating History	
May 8, 1989	A+/A-1
May 22, 2001	AA/A-1+

Business profile:

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Financial policy:

Conservative

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Debt maturities:

Scheduled maturities of long-term debt for subsidiary Nicor Gas Co. are $50 million in 2006. Remaining maturities of $450 million occur beyond 2007.

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Major Rating Factors

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Strengths:

- Excellent competitive position.
- Strategic location with access to eight interstate pipelines.
- Ample underground storage assets.
- Historically favorable Illinois ratemaking principles for gas distributors.
- Solid operations.
- Currently robust financial measures.

Weaknesses:

- Potential for financial penalties relating to review and inquiries regarding Nicor Gas' performance-based rate plan, a shareholder derivative action, and a possible civil injunctive action.
- Gas supply costs open to risk of hindsight prudence reviews by regulators.
- Profitability challenged by increasing expenses, rising labor costs, and higher bad debt expense.
- Albeit relatively small, investment in riskier affiliates.

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Rationale

The ratings on Naperville, Ill.-based gas utility holding company Nicor Inc. are based on the consolidated credit profile of its family of companies, most significantly Nicor Gas Co. (about 85% of operating income), but also its containerized shipping unit, Tropical Shipping (12%), and smaller unregulated energy-related ventures. Because there are no regulatory mechanisms or other structural barriers in Illinois that sufficiently restrict access by the parent to the cash flow of the utility, Standard & Poor's views the default risk of Nicor Gas as being the same as that of the parent.

Nicor's creditworthiness is a function of a strong business profile and declining, but still very healthy financial condition. The company's business position is supported by a large, secure residential and commercial customer base, low costs and rates, a diverse supply portfolio, historically responsive ratemaking principles, solid operations, and favorable competitive standing. These strengths are tempered somewhat by Nicor's investment in higher-risk unregulated operations and uncertainties regarding investigations into alleged abuses of Nicor Gas' performance-based rate plan (PBR), a shareholder derivative action, and a possible civil injunctive action, all of which could result in financial penalties. The mere existence of these matters is very disturbing for a company with such lofty ratings; however, Standard & Poor's believes that resolution of outstanding issues facing the company will have only a nominal effect, if any, on Nicor's very strong financial parameters. However, rising operating expenses with no prospects for near-term rate relief, in conjunction with an unexpectedly severe financial penalty, could eventually result in a negative rating action.

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(ICC) continues to review allegations that Nicor Gas acted improperly in connection with the PBR plan. The timing of a final decision from the ICC is uncertain.

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Customer growth should remain modest (about 2%), while throughput increases may be less due to more efficient appliances conservation. Much of this growth comes from new housing construction because natural gas has saturated most of the space heating market. Over the long term, increased sales to summer-peaking electric generation facilities should help revenue growth and improve the system load factor. Modest exposure to fuel switching and customer bypass exists. However, Nicor Gas can offer special tariffs and contracts to retain gas users with direct pipeline access. Gas costs are minimized and reliability is enhanced through diversity in supply contracts, suppliers, and production regions and through abundant company-owned gas storage facilities.

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Short-term credit factors.

Nicor and Nicor Gas have 'A-1+' short-term corporate credit and commercial paper ratings. Liquidity should continue to be adequate despite the seasonal nature of the gas distribution business. Cash requirements typically increase over the third and fourth quarters due to increases in natural gas purchases, gas in storage, and accounts receivable. Over the first and second quarters, positive cash flow generally occurs from the sale of gas in storage and the collection of accounts receivable. This cash is typically used to reduce short-term debt, incurred to purchase gas in anticipation of the winter heating season, to near zero during the second quarter.

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Standard & Poor's expects currently strong consolidated funds flow from operations to decline significantly in 2004, due to a tax refund in 2003 and increasing expenses and somewhat flat revenue growth. However, Nicor should have ample capacity to internally fund dividends and the bulk of consolidated construction expenditures.

As of March 31, 2004, Nicor had $31.6 million of cash and cash equivalents. The company maintains a revolving credit agreement totaling $500 million through September 2004, which serves as backup for the issuance of commercial paper. At the end of March 2004, the company had $187 million of commercial paper outstanding. The bank facility is rated one notch below the 'AA' corporate credit ratings on the companies due to the facility's structural subordination to substantial amounts of senior secured debt.

In order to comply with the covenants in its credit agreements, Nicor and Nicor Gas must maintain, at the end of any fiscal quarter, total debt to capitalization below 65%, provided that, at the end of the fourth fiscal quarter, this ratio does not exceed 70% and must maintain an interest coverage ratio of at least 3.0x. None of Nicor's bank agreements contains material adverse change clauses or ratings triggers.

Under certain agreements, downgrades below investment grade could result in the companies having to post collateral. Standard & Poor's does not consider this a serious concern given the 'AA' corporate credit ratings on Nicor and Nicor Gas. Nicor has no outstanding long-term debt and Nicor Gas has a very manageable maturity schedule with $50 million of debt due in 2006. Nicor Gas has $75 million of capacity under a Rule 415 shelf registration covering senior secured debt transactions.

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Outlook

Ratings stability for Nicor and Nicor Gas reflects a strong consolidated financial profile, an excellent competitive standing, flexible supply position, a healthy service area, and management's commitment to credit quality. Ratings stability also assumes that additional penalties, if any, will be fully manageable and will not materially harm the company's healthy financial condition. These attributes are offset by parent Nicor's support of riskier unregulated affiliates.

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Business Description

Naperville, Ill.-based Nicor is a holding company whose principal businesses are Nicor Gas, a natural gas distributor, and Tropical Shipping, a transporter of containerized freight. Nicor also owns several nonregulated energy-related ventures.

Gas distribution utility Nicor Gas (about 90% of consolidated assets and about 85% of consolidated operating income in 2003) serves approximately 2.1 million customers in northern Illinois, excluding Chicago.

Tropical Shipping (about 10% of consolidated assets and 12% of operating income in 2003), owned by Nicor for over 20 years, is Nicor's primary nonregulated unit, transporting containerized freight primarily from Florida and Canada to 25 ports in the Caribbean region.